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**1991/11/13**



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United States Department of State

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Washington, D.C. 20520

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RELEASED IN PART

B1,A5,B5

November 13, 1991

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MEMORANDUM

TO: EAP - Mr. Anderson, Acting

FROM: EAP/CM - Mark B. Mohr, Acting

SUBJECT: ~~Your Meeting with PRC Charge Zhao Xixin on China Provisions in the Export Administration Act, Wednesday, November 13, 4:45 pm~~

The Chinese Embassy sought this meeting to protest provisions in the Export Administration Act, which is likely to go into conference soon. The Chinese are likely to protest provisions that would prohibit launches of U.S.-built satellites from China (HR 3489, Section 126) and establish a set of human rights principles for U.S. firms operating in China (the "Miller Principles," HR 3489, Title IV).

Rep. Solomon successfully amended the House version of the bill to strip the Presidential "national interest" waiver from the section which prohibits the launch of U.S.-origin satellites on Chinese-owned rockets. If the amendment survives in the final bill, the export of satellites for such launches would be prohibited under all circumstances. The Senate version of the bill requires USTR to certify that China is complying with the bilateral commercial launch services agreement before licenses could be issued. While this provision adds another layer of conditions on satellite export licenses, the White House has decided that we could live with it.

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One additional section of the bill (Section 124) would codify Administration policy on China-specific liberalization of COCOM controls and specify actions that we must take in transfers to China related to chemical weapons and missile proliferation. While we do not believe that this section will require any changes in our policy or procedures toward China on these issues, the Chinese may still raise the provision as objectionable because it singles China out for unfavorable treatment.

H is now drafting a letter to conferees detailing our position on the bill's provisions (copy attached). The China provisions are not among the sections that would guarantee a veto but are included among those that we strongly oppose. FYI, The President might veto the bill for other reasons.

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**SECMEC 8025 x76796**

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